



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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September 2, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 3540

Mr. William Kraemer
Crown Asphalt Ridge, LLC
150 West Jefferson Avenue
Detroit, Michigan 48226

Subject: Permit Transfer and Five-Year Review of Reclamation Surety Estimate, Crown Asphalt Corporation, Asphalt Ridge Mine, M/047/032, Uintah County, Utah

Dear Mr. Kraemer:

On November 26, 2002, the Division received an application to transfer the permit for the Asphalt Ridge Mine (M/047/032) from Crown Asphalt Corporation to Crown Asphalt Ridge, LLC. You also applied to transfer the exploration notice of intention E/047/047, but the Division subsequently released this notice from further reclamation responsibilities. By letter dated January 27, 2003, we informed you that to transfer the permit for Crown Asphalt Corporation's portion of the Asphalt Ridge Mine, you would need to supply a map showing the current disturbed area, a revised bond under the name of the new permittee (Crown Asphalt Ridge, LLC), and a new reclamation contract.

We received revised maps of the disturbed area on July 23, 2003, and these maps clearly show the distinction between the areas for which Crown Asphalt Corporation (currently) and Uintah County are responsible. This map can now be used as part of the permit transfer application to show the bonded areas.

The last surety amount for Crown's portion of the disturbed area was \$137,701 in 2001 dollars. Using the revised maps and information contained within the mine plan, we have recalculated the amount of reclamation surety required to reclaim the site. A significant increase in the required bond amount is necessary because the surface disturbance has expanded and the reclamation requirements for certain portions of the site have changed. Application of the standard 5-year escalation factor has inflated the bond amount to \$270,600 in 2008 dollars. A summary sheet of the reclamation surety estimate is enclosed.


William Kraemer
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To complete the permit transfer, please provide a revised permit transfer form (MR-TRL) referencing the July 23, 2003, maps. You will also need to provide a reclamation surety for the new amount in the name of Crown Asphalt Ridge, LLC, and a new reclamation contract (form MR-RC). Copies of these forms are enclosed, but they are also available on our web site at <http://ogm.utah.gov/minerals/MINERALSFORMS.htm>.

Before formally submitting the final signed permit transfer and reclamation contract forms, we ask that you send them to us in draft so any errors can be corrected. Please provide the drafts of these documents by October 15, 2003. If this is not feasible, please contact the Division with justification for requesting additional time.

Thank you for your help in completing this transfer. If you have any questions concerning this letter, please contact me at (801) 538-5286, or Paul Baker at 538-5261.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

DWH:PBB:jb
Attachment: Surety estimate update
cc: Paul Feltch, Uintah County
O:\M047-Uintah\M0470032-Crown-AsphaltRidge\final\escl-09022003.doc

RECLAMATION SURETY ESTIMATE					
Crown Asphalt Ridge LLC.		last revision		08/06/03	
Asphalt Ridge Tar Sands/ AROC #1		filename M047-032.WB2		page "estimate D8"	
DOGM file Number M/047/032		Uintah County			
Prepared by Utah State Division of Oil, Gas & Mining					
Disturbed areas in estimate - Process & flare area - 16.42 acres Mine area 26.53 acres					
-ASSUME demolition and removal of all processing facilities					
-ASSUME visual berm to blend with backfill					
-Pits will be partially backfilled with overburden and then soil					
-Initial plan required mulch, and 200 lb/acre of fertilizer - if manure is used this will not be necessary					
Demolition costs reflect Buena Ventura Resources Corp's 1996 reclamation estimate escalated to 2003 costs.					
Note: actual unit costs may vary according to site conditions last unit cost update 10/07/02					
-Amount of disturbed area which will receive reclamation treatments =				42.95 acres	
-Estimated total disturbed area for this mine =				42.95 acres	
Activity	Quantity	Units	\$/unit	\$	Note
Demolition & burial of concrete	1	sum	57,412	57,412	
Demolition & removal of storage tanks	1	sum	16,437	16,437	
Removal of buried utilities	1	sum	11,201	11,201	
MINE AREA - 26.53 acres					
Overburden replacement - dozer (1 ft depth)	42,750	CY	0.58	24,795	
Topsoil replacement on overburden- dozer (8 inch depth)	28,645	CY	0.58	16,614	
PROCESS AREA - 16.42 acres					
Grading visual topsoil berm (3.2 acres x 9ft high)	46,464	CY	0.58	26,949	
(This soil to be used for process area soil replacement)					
Ripping stockpile & compacted areas prior to seeding	42.95	acre	246	10,566	
Composted manure (10 ton/acre)	42.95	acre	300	12,885	
Broadcast seeding	42.95	acre	240	10,308	
General site cleanup & trash removal	20	acre	50	1,000	
Equipment mobilization	2	equip	2000	4,000	
Reclamation supervision - 10% of reclamation surety				21,138	
	Subtotal			213,305	
10% Contingency				21,330	
	Subtotal			234,635	
Escalate for 5 years at 2.89% per year				35,922	
	Total			270,557	
Rounded surety amount in year 2008 \$				270,600	
Average cost per disturber acre =		6299			